

OGDEN/WEBER CONVENTION VISITORS BUREAU

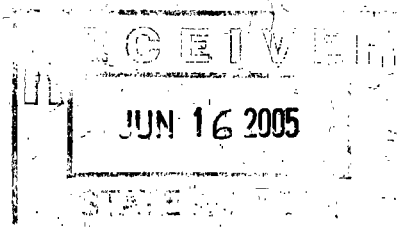
December 31, 2005 and 2004

Financial Statements

(With Independent Auditors' Report)

**LITZ &
COMPANY**

*Certified Public Accountants
A Professional Corporation*

INDEPENDENT AUDITORS' REPORT

**To The Board of Directors
Ogden/Weber Convention Visitors Bureau**

We have audited the accompanying statements of financial position of Ogden/Weber Convention Visitors Bureau (a not-for-profit corporation) as of December 31, 2004 and 2003, and the related statements of activities and cash flows for the years then ended. The financial statements are the responsibility of Ogden/Weber Convention Visitors Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Ogden/Weber Convention Visitors Bureau as of December 31, 2004 and 2003, and the results of its operations and its cash flows for the year then ended in conformity with accounting standards generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 17, 2005, on our consideration of Ogden/Weber Convention Visitors Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Ogden/Weber Convention Visitors' Bureau taken as a whole. The accompanying comparative supplementary schedule of combined activities is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole.

Litz & Company, P.C.

May 17, 2005

OGDEN/WEBER CONVENTION VISITORS BUREAU
Statements of Financial Position
December 31, 2004

<u>ASSETS</u>	<u>2004</u>	<u>2003</u>
Current assets:		
Cash	\$ 177,947	\$ 113,452
Accounts receivable	13,626	2,766
Related party receivable		10,967
Total current assets	<u>191,573</u>	<u>127,185</u>
Fixed assets:		
Office equipment	22,431	21,690
Accumulated depreciation	<u>(9,557)</u>	<u>(4,158)</u>
Fixed assets, net	<u>12,874</u>	<u>17,532</u>
Other assets	<u>640</u>	<u>640</u>
Total assets	<u>\$ 205,087</u>	<u>\$ 145,357</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 4,299	\$ 10,286
Accrued liabilities	10,129	19,521
Related party payable	399	
Deferred revenue	<u>54,752</u>	<u>31,611</u>
Total current liabilities	<u>69,579</u>	<u>61,418</u>
Net assets:		
Unrestricted	<u>135,508</u>	<u>83,939</u>
Total net assets	<u>135,508</u>	<u>83,939</u>
Total liabilities and net assets	<u>\$ 205,087</u>	<u>\$ 145,357</u>

See accompanying notes and auditors' report

OGDEN/WEBER CONVENTION VISITORS BUREAU

Statement of Activities

For the Year Ended December 31, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Contract revenue	\$ -	\$ 432,351	\$ 432,351
City partnerships	-	6,666	6,666
Fund raisers	14,598	-	14,598
Marketing subscription	-	33,551	33,551
Professional services provided	-	5,250	5,250
Interchangeable lift tickets	119,607	-	119,607
In kind contributions	30,287	-	30,287
Miscellaneous	-	1,529	1,529
Interest income	2,096	-	2,096
Net assets released from restrictions	<u>479,347</u>	<u>(479,347)</u>	<u>-</u>
Total unrestricted revenues	<u>645,935</u>	<u>-</u>	<u>645,935</u>
Expenses:			
Automobile	8,416	-	8,416
Depreciation	5,936	-	5,936
Dues and publications	4,074	-	4,074
Fundraiser expense	4,940	-	4,940
In-kind expense	30,287	-	30,287
Insurance	3,468	-	3,468
Interchangeable lift tickets	100,260	-	100,260
Miscellaneous	3,300	-	3,300
Office supplies	15,011	-	15,011
Postage and printing	5,126	-	5,126
Rent	16,594	-	16,594
Repairs and maintenance	5,627	-	5,627
Sales and marketing	107,366	-	107,366
Telephone	7,680	-	7,680
Training	3,870	-	3,870
Wages and benefits	<u>272,411</u>	<u>-</u>	<u>272,411</u>
Total expenses	<u>594,366</u>	<u>-</u>	<u>594,366</u>
Change in net assets	<u>51,569</u>	<u>-</u>	<u>51,569</u>
Net assets - beginning	<u>83,939</u>	<u>-</u>	<u>83,939</u>
Net assets - ending	<u>\$ 135,508</u>	<u>\$ -</u>	<u>\$ 135,508</u>

See accompanying notes and auditors' report

OGDEN/WEBER CONVENTION VISITORS BUREAU

Statement of Activities

For the Year Ended December 31, 2003

	Unrestricted	Temporarily Restricted	Total
Revenues:			
Contract revenue	\$ -	\$ 536,611	\$ 536,611
City partnerships	-	6,666	6,666
Fund raisers	23,282	-	23,282
Marketing subscription	-	30,819	30,819
Professional services provided	-	12,500	12,500
Interchangeable lift tickets	30,372	-	30,372
In kind contributions	57,797	-	57,797
Miscellaneous	-	3,576	3,576
Interest income	2,046	-	2,046
Net assets released from restrictions	590,172	(590,172)	-
Total unrestricted revenues	703,669	-	703,669
Expenses:			
Automobile	15,294	-	15,294
Depreciation	6,003	-	6,003
Dues and publications	3,963	-	3,963
Fundraiser expense	8,560	-	8,560
In-kind expense	57,797	-	57,797
Insurance	3,847	-	3,847
Interchangeable lift tickets	35,103	-	35,103
Miscellaneous	5,113	-	5,113
Office supplies	4,650	-	4,650
Postage and printing	3,740	-	3,740
Rent	16,169	-	16,169
Repairs and maintenance	9,416	-	9,416
Sales and marketing	103,031	-	103,031
Telephone	8,333	-	8,333
Wages and benefits	348,521	-	348,521
Loss on disposition of assets	1,898	-	1,898
Total expenses	631,438	-	631,438
Change in net assets	72,231	-	72,231
Net assets - beginning	0	0	0
Contributed capital	11,708	-	11,708
Net assets - ending	<u>\$ 83,939</u>	<u>\$ -</u>	<u>\$ 83,939</u>

See accompanying notes and auditors' report.

OGDEN/WEBER CONVENTION VISITORS BUREAU

**Statements of Cash Flows
Years Ended December 31, 2004 and 2003**

	<u>2004</u>	<u>2003</u>
<u>Cash Flows From Operating Activities:</u>		
Increase (decrease) in net assets	\$ 51,569	\$ 72,231
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	5,936	6,003
Loss on disposition of assets	-	1,898
Changes in:		
Accounts receivable	(10,860)	(2,766)
Related party receivable	10,967	(10,967)
Other assets	-	(640)
Accounts payable	(5,987)	10,286
Accrued liabilities	(9,392)	14,741
Related party payable	399	-
Deferred revenue	<u>23,141</u>	<u>(4,116)</u>
Net Cash Provided by (Used in) Operating Activities	<u>65,773</u>	<u>86,670</u>
<u>Cash Flows From Investing Activities:</u>		
Purchase of equipment	<u>(1,278)</u>	<u>(13,745)</u>
Net Cash Used in Investing Activities	<u>(1,278)</u>	<u>(13,745)</u>
Net Increase in Cash	64,495	72,925
Cash and Cash Equivalents, beginning of year	<u>113,452</u>	<u>40,527</u>
Cash and Cash Equivalents, end of year	<u><u>\$ 177,947</u></u>	<u><u>\$ 113,452</u></u>

See accompanying notes and auditors' report

OGDEN/WEBER CONVENTION VISITORS BUREAU
Notes to Financial Statements
December 31, 2004 and 2003

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Ogden/Weber Convention Visitors Bureau (Bureau) is presented to assist in understanding the Bureau's financial statements. The financial statements and notes are representations of the Bureau's management, who are responsible for their integrity and objectivity.

Organization

The Bureau is a nonprofit organization exempt from income tax under Section 501(c)(6) of the United States Internal Revenue Code. The Bureau was formed for the purpose of attracting tourists to the Greater Ogden/Weber County area. The Bureau's primary source of revenue comes from transient room, rental car and restaurant tax from Weber County.

Donated Services

No amounts have been reflected in the accompanying financial statements for services donated because no objective basis is available to measure the value of such services.

In-Kind Contributions

In-kind contributions include lodging, food and beverage, transportation and other various items.

Financial Statement Presentation

The Bureau reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. In addition, the Bureau is required to present a statement of cash flows.

The Bureau classifies donor-restricted contributions as temporarily restricted revenue and support. Upon satisfaction of the restrictions, they are reclassified to unrestricted net assets. Endowments and permanent restrictions imposed by donors on contributions and donations are presented as permanently restricted revenue and support.

Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

OGDEN/WEBER CONVENTION VISITORS BUREAU

Notes to Financial Statements

December 31, 2004 and 2003

1. Summary of Significant Accounting Policies - (continued)

Cash Equivalents

For purpose of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. The allowance for doubtful accounts at December 31, 2004 and 2003 was \$0.

Property and Equipment

Property and equipment are stated at cost, or if donated, at the approximate fair market value at the date of donation. The Bureau capitalizes all asset purchases over \$1,000. Depreciation is calculated using the straight-line method over the estimated useful lives of the related asset. Depreciation expense for 2004 and 2003 was \$5,936 and \$6,003 respectively.

2. Retirement Plan

The Bureau's retirement plan allows employees to defer compensation into a 401(k) account. The Bureau will match employee contributions up to a percentage determined annually by the plan's retirement committee. The matching percentage for the years ended December 31, 2004 and 2003 was 5% percent. The matching amount paid by the Bureau for the plan for the years ended December 31, 2004 and 2003 was \$10,049 and \$14,258 respectively.

3. Affiliated Entities

The Bureau has entered into an agreement with the Golden Spike Empire (GSE). The Bureau provides office facilities, administrative support and certain economic support to the GSE. The amount received from the GSE for administrative services for the years ended December 31, 2004 and 2003 was \$5,250 and \$12,500 respectively. The amount of expenses paid by the Bureau on behalf of the GSE and then repaid to the Bureau for 2004 and 2003 was \$84,328 and \$144,619. At December 31, 2004, the CVB contracted with the GSE to provide services on the remaining balance of the state contract. It is anticipated that the CVB will continue to be the prime contractor with the state in the future and the GSE will have no significant activity.

OGDEN/WEBER CONVENTION VISITORS BUREAU

Notes to Financial Statements

December 31, 2004 and 2003

4. Operating Leases

Office Facilities

The Bureau leases office space under a cancelable lease. The lease was renewed for a three-year period effective January 1, 2003. The renewal contains a cancellation clause whereby either party may terminate the lease upon 90 days prior written notice. The following is a schedule of future rental payments required under the lease:

For the Year Ended December 31,
2005

\$ 17,020

\$ 17,020

The expense associated with this lease for the year ended December 31, 2004 and 2003 was \$16,594 and \$16,169.

5. Compensated Absences

Accumulated unpaid sick pay amounts are nonvesting and therefore are not accrued in the financial statements. The potential future liability as of December 31, 2004 and 2003 was \$30,263 and \$46,295, respectively.

6. Concentrations

For 2004 the Company received 67% of its total income from Weber County. The county contract represents a concentration which could subject future revenues to be altered dramatically.

7. Commitments

The CVB has a contract with Geiger & Associates for public relations services. The CVB is to pay \$80,000 in twelve equal installments, starting December 27, 2004 through January 27, 2006.

OGDEN/WEBER CONVENTION VISITORS BUREAU
Comparative Schedule of Combined Activities
For the Years Ended December 31, 2004 and 2003

Schedule I

	Total 2004	Total 2003
Revenues:		
Contract revenue	\$ 432,351	\$ 536,611
City partnerships	6,666	6,666
Fund raisers	14,598	23,282
Marketing subscription	33,551	30,819
Professional services provided	5,250	12,500
Interchangeable lift tickets	119,607	30,372
In kind contributions	30,287	57,797
Miscellaneous	1,529	3,576
Interest income	2,096	2,046
Total unrestricted revenues	645,935	703,669
Expenses:		
Automobile	8,416	15,294
Depreciation	5,936	6,003
Dues and publications	4,074	3,963
Fundraiser expense	4,940	8,560
In-kind expense	30,287	57,797
Insurance	3,468	3,847
Interchangeable lift tickets	100,260	35,103
Miscellaneous	3,300	5,113
Office supplies	15,011	4,650
Postage and printing	5,126	3,740
Rent	16,594	16,169
Repairs and maintenance	5,627	9,416
Sales and marketing	107,366	103,031
Telephone	7,680	8,333
Training	3,870	-
Wages and benefits	272,411	348,521
Loss on disposition of assets	-	1,898
Total expenses	594,366	631,438
Change in net assets	51,569	72,231
Net assets - beginning	83,939	-
Contributed capital	-	11,708
Net assets - ending	\$ 135,508	\$ 83,939

See auditors' report

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**To The Board of Directors
Ogden/Weber Convention Visitors Bureau**

We have audited the financial statements of Ogden/Weber Convention Visitors Bureau (a nonprofit organization) as of and for the year ended December 31, 2004, and have issued our report thereon dated May 17, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Ogden/Weber Convention Visitors Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ogden/Weber Convention Visitors Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Litz & Company, P.C.

May 17, 2005

**INDEPENDENT AUDITORS' REPORT
STATE LEGAL COMPLIANCE**

We have audited the financial statements of the Ogden/Weber Convention Visitors Bureau for the year ended December 31, 2004, and have issued our report thereon dated May 17, 2005. As part of our audit, we have audited the Ogden/Weber Convention Visitors Bureau's compliance with the requirements governing types of services allowed or unallowed; eligibility, matching; level of effort, or earmarking, reporting, special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2004. The Ogden/Weber Convention Visitors Bureau received the following major State assistance program from the State of Utah:

Transient Room Tax

The management of the Ogden/Weber Convention Visitors Bureau is responsible for its compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Ogden/Weber Convention Visitors Bureau compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, the Ogden/Weber Convention Visitors Bureau complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility, matching, level of effort, or earmarking, reporting, and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2004.

Litz & Company, P.C.

May 17, 2005

**INDEPENDENT AUDITORS' REPORT
STATE LEGAL COMPLIANCE**

We have audited the financial statements of the Ogden/Weber Convention Visitors Bureau for the year ended December 31, 2005, and have issued our report thereon dated May 23, 2006. As part of our audit, we have audited the Ogden/Weber Convention Visitors Bureau's compliance with the requirements governing types of services allowed or unallowed; eligibility, matching, level of effort, or earmarking, reporting, special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2005. The Ogden/Weber Convention Visitors Bureau received the following major State assistance program from the State of Utah:

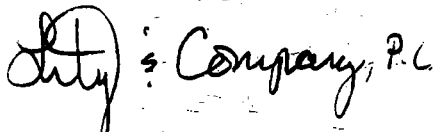
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The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, the Ogden/Weber Convention Visitors Bureau complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility, matching, level of effort, or earmarking, reporting, and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2005.



May 23, 2006

INDEPENDENT AUDITORS' REPORT**To The Board of Directors
Ogden/Weber Convention Visitors Bureau**

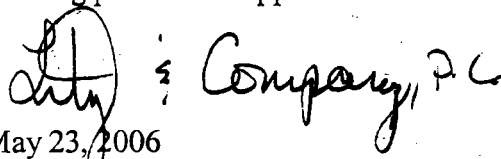
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We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Ogden/Weber Convention Visitors Bureau as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the year then ended in conformity with accounting standards generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2006, on our consideration of Ogden/Weber Convention Visitors Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Ogden/Weber Convention Visitors' Bureau taken as a whole. The accompanying comparative supplementary schedule of combined activities is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole.


May 23, 2006

OGDEN/WEBER CONVENTION VISITORS BUREAU
Statements of Financial Position
December 31, 2005

<u>ASSETS</u>	<u>2005</u>	<u>2004</u>
Current assets:		
Cash	\$ 203,739	\$ 177,947
Accounts receivable	159	13,626
Total current assets	<u>203,898</u>	<u>191,573</u>
Fixed assets:		
Office equipment	25,262	22,431
Accumulated depreciation	<u>(13,327)</u>	<u>(9,557)</u>
Fixed assets, net	<u>11,935</u>	<u>12,874</u>
Other assets	<u>640</u>	<u>640</u>
Total assets	<u>\$ 216,473</u>	<u>\$ 205,087</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 3,127	\$ 4,299
Accrued liabilities	11,541	10,129
Credit card payable	5,015	
Related party payable	204	399
Deferred revenue	<u>10,320</u>	<u>54,752</u>
Total current liabilities	<u>30,207</u>	<u>69,579</u>
Net assets:		
Unrestricted	97,843	89,424
Temporarily restricted	<u>88,423</u>	<u>46,084</u>
Total net assets	<u>186,266</u>	<u>135,508</u>
Total liabilities and net assets	<u>\$ 216,473</u>	<u>\$ 205,087</u>

See accompanying notes and auditors' report

OGDEN/WEBER CONVENTION VISITORS BUREAU
Statement of Activities
For the Year Ended December 31, 2005

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Contract revenue	\$ -	\$ 488,600	\$ 488,600
City partnerships	-	6,666	6,666
Marketing subscriptions and alliances	11,300	97,947	109,247
Interchangeable lift tickets	10,468	-	10,468
In kind contributions	19,413	-	19,413
Miscellaneous	415	1,029	1,444
Interest income	6,105	-	6,105
Net assets released from restrictions	551,903	(551,903)	-
Total unrestricted revenues	<u>599,604</u>	<u>42,339</u>	<u>641,943</u>
Expenses:			
Automobile	8,711	-	8,711
Depreciation	3,769	-	3,769
Dues, memberships, fees	6,807	-	6,807
In-kind expense	19,413	-	19,413
Insurance	3,722	-	3,722
Interchangeable lift tickets	9,505	-	9,505
Miscellaneous	4,860	-	4,860
Office supplies	6,278	-	6,278
Postage and printing	5,469	-	5,469
Rent	17,020	-	17,020
Repairs and maintenance	4,682	-	4,682
Sales and marketing	169,696	-	169,696
Taxes and license	1,899	-	1,899
Telephone	10,728	-	10,728
Training	3,145	-	3,145
Wages and benefits	315,481	-	315,481
Total expenses	<u>591,185</u>	<u>-</u>	<u>591,185</u>
Change in net assets	<u>8,419</u>	<u>42,339</u>	<u>50,758</u>
Net assets - beginning	<u>89,424</u>	<u>46,084</u>	<u>135,508</u>
Net assets - ending	<u>\$ 97,843</u>	<u>\$ 88,423</u>	<u>\$ 186,266</u>

See accompanying notes and auditors' report

OGDEN/WEBER CONVENTION VISITORS BUREAU

Statement of Activities

For the Year Ended December 31, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Contract revenue	\$ -	\$ 432,351	\$ 432,351
City partnerships		6,666	6,666
Fund raisers	14,598	-	14,598
Marketing subscriptions and alliances	13,024	20,527	33,551
Interchangeable lift tickets	119,607	-	119,607
In kind contributions	30,287	-	30,287
Miscellaneous	899	630	1,529
Interest income	2,096	-	2,096
Net assets released from restrictions	449,353	(449,353)	-
Total unrestricted revenues	629,864	10,821	640,685
Expenses:			
Automobile	8,416	-	8,416
Depreciation	5,936	-	5,936
Dues and publications	4,074	-	4,074
Fundraiser expense	4,940	-	4,940
In-kind expense	30,287	-	30,287
Insurance	3,468	-	3,468
Interchangeable lift tickets	100,260	-	100,260
Miscellaneous	3,300	-	3,300
Office supplies	9,761	-	9,761
Postage and printing	5,126	-	5,126
Rent	16,594	-	16,594
Repairs and maintenance	5,627	-	5,627
Sales and marketing	107,366	-	107,366
Telephone	7,680	-	7,680
Training	3,870	-	3,870
Wages and benefits	272,411	-	272,411
Total expenses	589,116	-	589,116
Change in net assets	40,748	10,821	51,569
Net assets - beginning	48,676	35,263	83,939
Net assets - ending	\$ 89,424	\$ 46,084	\$ 135,508

See accompanying notes and auditors' report

OGDEN/WEBER CONVENTION VISITORS BUREAU

Statements of Cash Flows

Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
<u>Cash Flows From Operating Activities:</u>		
Increase (decrease) in net assets	\$ 50,758	\$ 51,569
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	3,769	5,936
Loss on disposition of assets	-	-
Changes in:		
Accounts receivable	13,467	(10,860)
Related party receivable	-	10,967
Other assets	-	-
Accounts payable	2,843	(5,987)
Accrued liabilities	(752)	(9,392)
Credit card payable	4,014	-
Related party payable	(195)	399
Deferred revenue	(44,432)	23,141
Net Cash Provided by (Used in) Operating Activities	<u>29,472</u>	<u>65,773</u>
<u>Cash Flows From Investing Activities:</u>		
Purchase of equipment	<u>(2,830)</u>	<u>(1,278)</u>
Net Cash Used in Investing Activities	<u>(2,830)</u>	<u>(1,278)</u>
Net Increase in Cash	26,642	64,495
Cash and Cash Equivalents, beginning of year	<u>177,947</u>	<u>113,452</u>
Cash and Cash Equivalents, end of year	<u>\$ 204,589</u>	<u>\$ 177,947</u>

See accompanying notes and auditors' report

OGDEN/WEBER CONVENTION VISITORS BUREAU

Notes to Financial Statements

December 31, 2005 and 2004

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of the Ogden/Weber Convention Visitors Bureau (Bureau) is presented to assist in understanding the Bureau's financial statements. The financial statements and notes are representations of the Bureau's management, who are responsible for their integrity and objectivity.

Organization

The Bureau is a nonprofit organization exempt from income tax under Section 501(c)(6) of the United States Internal Revenue Code. The Bureau was formed for the purpose of attracting tourists to the Greater Ogden/Weber County area. The Bureau's primary source of revenue comes from transient room, rental car and restaurant tax from Weber County.

Donated Services

No amounts have been reflected in the accompanying financial statements for services donated because no objective basis is available to measure the value of such services.

In-Kind Contributions

In-kind contributions include lodging, food and beverage, transportation and other various items.

Financial Statement Presentation

The Bureau reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. In addition, the Bureau is required to present a statement of cash flows.

The Bureau classifies donor-restricted contributions as temporarily restricted revenue and support. Upon satisfaction of the restrictions, they are reclassified to unrestricted net assets. Endowments and permanent restrictions imposed by donors on contributions and donations are presented as permanently restricted revenue and support.

Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

OGDEN/WEBER CONVENTION VISITORS BUREAU

Notes to Financial Statements

December 31, 2005 and 2004

1. Summary of Significant Accounting Policies - (continued)

Cash Equivalents

For purpose of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. The allowance for doubtful accounts at December 31, 2005 and 2004 was \$0.

Property and Equipment

Property and equipment are stated at cost, or if donated, at the approximate fair market value at the date of donation. The Bureau capitalizes all asset purchases over \$1,000. Depreciation is calculated using the straight-line method over the estimated useful lives of the related asset. Depreciation expense for 2005 and 2004 was \$3,769 and \$5,936 respectively.

2. Retirement Plan

The Bureau's retirement plan allows employees to defer compensation into a 401(k) account. The Bureau will match employee contributions up to a percentage determined annually by the plan's retirement committee. The matching percentage for the years ended December 31, 2005 and 2004 was 5% percent. The matching amount paid by the Bureau for the plan for the years ended December 31, 2005 and 2004 was \$6,986 and \$10,049 respectively.

3. Affiliated Entities

The Bureau has entered into an agreement with the Golden Spike Empire (GSE). The Bureau provides office facilities, administrative support and certain economic support to the GSE. The amount received from the GSE for administrative services for the years ended December 31, 2005 and 2004 was \$-0- and \$5,250 respectively. The amount of expenses paid by the Bureau on behalf of the GSE and then repaid to the Bureau for 2005 and 2004 was \$-0- and \$84,328. At December 31, 2004, the CVB contracted with the GSE to provide services on the remaining balance of the state contract. It is anticipated that the CVB will continue to be the prime contractor with the state in the future and the GSE will have no significant activity.

OGDEN/WEBER CONVENTION VISITORS BUREAU

Notes to Financial Statements

December 31, 2005 and 2004

4. Operating Leases

Office Facilities

The Bureau leases office space under a cancelable lease. The lease was renewed for a three-year period effective January 1, 2003. The renewal contains a cancellation clause whereby either party may terminate the lease upon 90 days prior written notice. At December 31, 2005 the lease had expired and the Bureau is operating under a month to month rental agreement with monthly rents of \$1,418.

The expense associated with this lease for the year ended December 31, 2005 and 2004 was \$17,020 and \$16,594.

5. Compensated Absences

Accumulated unpaid sick pay amounts are nonvesting and therefore are not accrued in the financial statements. The potential future liability as of December 31, 2005 and 2004 was \$35,000 and \$30,263, respectively.

6. Concentrations

For 2005 the Company received 69% of its total income from Weber County. The county contract represents a concentration which could subject future revenues to be altered dramatically. Also, the Bureau maintains cash accounts in banks, which are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2005 the Agency's uninsured cash balances totaled \$130,722.

7. Commitments

The Bureau has a contract with Geiger & Associates for public relations services. The Bureau is to pay \$80,000 in twelve equal installments, starting December 27, 2004 through January 27, 2006. At December 31, 2005 the Bureau renewed its contract with Geiger and Associates for an additional year of service for the same terms and costs. This agreement will terminate in January 2007.

OGDEN/WEBER CONVENTION VISITORS BUREAU
Comparative Schedule of Combined Activities
For the Years Ended December 31, 2005 and 2004

Schedule I

	Total 2005	Total 2004
Revenues:		
Contract revenue	\$ 488,600	\$ 432,351
City partnerships	6,666	6,666
Fund raisers	-	14,598
Marketing subscription and alliances	109,247	33,551
Interchangeable lift tickets	10,468	119,607
In kind contributions	19,413	30,287
Miscellaneous	1,444	1,529
Interest income	6,105	2,096
Total unrestricted revenues	641,943	640,685
Expenses:		
Automobile	8,711	8,416
Depreciation	3,769	5,936
Dues and publications	6,807	4,074
Fundraiser expense	-	4,940
In-kind expense	19,413	30,287
Insurance	3,722	3,468
Interchangeable lift tickets	9,505	100,260
Miscellaneous	4,860	3,300
Office supplies	6,278	9,761
Postage and printing	5,469	5,126
Rent	17,020	16,594
Repairs and maintenance	4,682	5,627
Sales and marketing	169,696	107,366
Taxes and license	1,899	-
Telephone	10,728	7,680
Training	3,145	3,870
Wages and benefits	315,481	272,411
Total expenses	591,185	589,116
Change in net assets	50,758	51,569
Net assets - beginning	135,508	83,939
Net assets - ending	<u>\$ 186,266</u>	<u>\$ 135,508</u>

See auditors' report

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**To The Board of Directors
Ogden/Weber Convention Visitors Bureau**

We have audited the financial statements of Ogden/Weber Convention Visitors Bureau (a nonprofit organization) as of and for the year ended December 31, 2005, and have issued our report thereon dated May 23, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Ogden/Weber Convention Visitors Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ogden/Weber Convention Visitors Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

Litz & Company, P.C.

May 23, 2006